

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2003-668

September 18, 2003

York Water District
Application for Approval of Issue
Of Securities (§ 902)(\$2,400,000)

ORDER

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

On September 8, 2003, the York Water District (the District) filed with the Commission its application for authority to issue its bond in a sum not to exceed \$2,400,000 through the Maine Municipal Bond Bank, at an annual rate not to exceed 6.5 percent. The debt will be paid over a term not to exceed 20 years.

The District requires these funds for the repayment of a \$2,500,000 Bond Anticipation Note sold to Banknorth, N.A., dated December 19, 2002, with an outstanding principal of \$1,548,994. The proceeds were used to (i) construct an interconnection of 16 inch water main along U.S. Route One in York, Maine from the Mountain Road to the Ogunquit town line along with the construction of a booster pump station in connection therewith, together with related costs; (ii) replace approximately 3,400 feet of water main along U.S. Route One in York, Maine between the Woodbridge Road and the Ridge Road, together with related costs in connection therewith; (iii) replace water main on York Street between the Village Elementary School and U.S. Route One, together with related costs in connection therewith; and (iv) repay the outstanding principal amount of the District's 2002 Bond Anticipation Note, dated January 28, 2002, in the amount of \$625,000, together with accrued interest thereon, the proceeds of which were used to fund the above referenced projects; the remainder of the proceeds of the proposed financing shall be used to complete the above referenced capital projects.

Pursuant to an Amended Delegation Order dated January 9, 1996 in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapter 9, and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for Maine Municipal Bond Bank, Rural Economic & Community Development Administration and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bond are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In

approving this securities issue, consistent with normal practice and pursuant to § 902(4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

We also note that the projects funded by this securities issue exceed 5% of the District's fixed capital investment and that the District has filed its plans in accordance with 35-A MRSA § 6102, Filing with the commission plans for construction or improvements of water systems.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, I

O R D E R

1. That the York Water District is hereby authorized to issue its bond in a sum not to exceed \$2,400,000 to be used solely for the purposes described in this Order, and at a rate not to exceed 6.5 percent per year through the Maine Municipal Bond Bank for a term not to exceed 20 years.
2. That the District report to the Commission, in writing its doings pursuant to this Order within sixty (60) days of the date of the issue of the proposed bond, or January 3, 2004, whichever may come first.
3. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 18th day of September, 2003.

BY ORDER OF THE DIRECTOR OF FINANCE

Richard Kania
Acting Director

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.